

EXECUTIVE SECRETARIAT
ROUTING SLIP

TO:		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR				
4	D/ICS				
5	DDI				
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/Pers				
14	D/OLL				
15	D/PAO				
16	SA/IA				
17	AO/DCI				
18	C/IPD/OIS				
19	NIO/ECON	X	Y		
20					
21					
22					
SUSPENSE		Date			

Remarks	Barbara - I will return attachment 2 later
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for 6 Dec 84
Date

3637 (10-81)

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WASHINGTON

Executive Registry

84 - 10045

CABINET AFFAIRS STAFFING MEMORANDUM

Date: 12/5/84 Number: 169099CA Due By:

Subject: Cabinet Council on Economic Affairs Planning Meeting - December 6

3:00 P.M. - Roosevelt Room

TOPIC: Tax Simplification

ALL CABINET MEMBERS	Action	FYI		Action	FYI
Vice President	<input checked="" type="checkbox"/>	<input type="checkbox"/>	CEA	<input checked="" type="checkbox"/>	<input type="checkbox"/>
State	<input checked="" type="checkbox"/>	<input type="checkbox"/>	CEQ	<input type="checkbox"/>	<input type="checkbox"/>
Treasury	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OSTP	<input type="checkbox"/>	<input type="checkbox"/>
Defense	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Interior	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Agriculture	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Baker	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Commerce	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Deaver	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Labor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Darman (For WH Staffing)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HHS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	McFarlane	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HUD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Svahn	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Chapman	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Energy	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Counsellor	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
CIA	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
UN	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
USTR	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
GSA	<input type="checkbox"/>	<input type="checkbox"/>	Executive Secretary for:		
EPA	<input type="checkbox"/>	<input type="checkbox"/>	CCCT	<input type="checkbox"/>	<input type="checkbox"/>
NASA	<input type="checkbox"/>	<input type="checkbox"/>	CCEA	<input checked="" type="checkbox"/>	<input type="checkbox"/>
OPM	<input type="checkbox"/>	<input type="checkbox"/>	CCFA	<input type="checkbox"/>	<input type="checkbox"/>
VA	<input type="checkbox"/>	<input type="checkbox"/>	CCHR	<input type="checkbox"/>	<input type="checkbox"/>
SBA	<input type="checkbox"/>	<input type="checkbox"/>	CCLP	<input type="checkbox"/>	<input type="checkbox"/>
			CCMA	<input type="checkbox"/>	<input type="checkbox"/>
			CCNRE	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

There will be a Cabinet Council on Economic Affairs Planning Meeting on Thursday, December 6, 1984, at 3:00 P.M. in the Roosevelt Room.

The agenda and background paper are attached.

RETURN TO:

☐ Craig L. Fuller

Assistant to the President
for Cabinet Affairs

☐ Don Clarey

Associate Director
Office of Cabinet Affairs

☒ Tom Gibson☐ Larry Herbolsheimer

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EXEC
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THE WHITE HOUSE

WASHINGTON

December 5, 1984

MEMORANDUM FOR THE CABINET COUNCIL ON ECONOMIC AFFAIRS

FROM: ROGER B. PORTER *RBP*

SUBJECT: Agenda and Papers for the December 6 Meeting

The Cabinet Council on Economic Affairs will meet on Thursday, December 6, at 3:00 p.m. in the Roosevelt Room.

The first agenda item is a review of the regulatory planning process. Last December the CCEA Working Group on Regulation and Market Intervention first reported to the Council on its examination of the Administration's regulatory reform efforts and raised the issue of possible changes in the regulatory planning process.

One of the principal concerns at that time was the need to establish a cabinet-level process for considering regulatory initiatives and priorities. Over the next several months a new process was developed and reviewed by the Cabinet Council on February 10, and again on March 29.

The Council indicated that the process should provide for direction from the top to the rulemaking machinery and that it was important that senior Administration officials have an opportunity to shape regulatory proposals at an early stage in the rulemaking process. The Council requested that the proposed process be put in final form for implementation later in the year.

The new regulatory planning process developed along the lines requested by the Cabinet Council is now ready. A brief memorandum outlining the planning process is attached.

The second agenda item is a review of the Treasury Tax Simplification and Reform Proposal. Summaries of the Tax Simplification and Reform Proposal are attached. The Council discussion will focus on the individual tax reform proposals in this session. Subsequent sessions will deal with the corporate tax reform proposals.

Attachments

THE WHITE HOUSE
WASHINGTON

CABINET COUNCIL ON ECONOMIC AFFAIRS

December 6, 1984

3:00 p.m.

Roosevelt Room

AGENDA

1. Regulatory Planning Process (CM # 413)
2. Review of Treasury Tax Simplification and Reform Proposal (CM # 507)

THE WHITE HOUSE

WASHINGTON

December 5, 1984

MEMORANDUM FOR THE CABINET COUNCIL ON ECONOMIC AFFAIRS

FROM: ROGER B. PORTER *RBP*
SUBJECT: Regulatory Planning Process

Last December the Cabinet Council Working Group on Regulation and Market Intervention first reported to the Cabinet Council on its examination of the Administration's regulatory reform efforts and raised the need for changes in the regulatory planning process.

Several Council meetings in December, February, and March discussed this proposal with agreement that two fundamental changes were essential. First, more effective means of establishing priorities in the regulatory activities taking place across the Administration were needed. Second, the new process should ensure that senior Administration officials have an opportunity to shape regulatory proposals at an early stage in the rulemaking process.

Since the last Cabinet Council meeting on this subject the proposal has been refined and developed along the lines outlined by the Council and is now ready. It is designed to ensure that all regulatory proposals made by executive departments and agencies are consistent with Administration policy and with each other.

Current Procedures

At the present time, rulemaking agencies submit draft notices of proposed rulemaking and final rules to the Office of Management and Budget for review, before their publication in the Federal Register, under the procedure established in February 1981 by Executive Order 12291.

Experience has shown, however, that such review of proposed rules often comes too late to provide for adequate consideration by senior officials to ensure that it is consistent with Administration policy. Agency staffs often still frame regulatory issues and narrow policy options in their pre-rulemaking activities, long before senior agency officials are involved.

A major rulemaking proposal may have been preceded by several years of staff studies, "fact-finding" hearings, and increasingly firm commitments to congressional and constituency groups that can make it difficult, if not impossible as

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a practical matter, for the agency head to pursue a radically different approach or course of action.

Moreover, under current procedures, while a Unified Regulatory Agenda, outlining Federal agency plans for new regulations over the coming year, is compiled, it does not force the central question of establishing priorities. It serves more like a catalogue or directory than as a strategic document of what the Administration considers most important on its regulatory agenda.

New Regulatory Planning Process

The new regulatory planning process will enable the Administration to review pre-rulemaking regulatory activities in order to make sure that Administration policies are reflected at each step in the process. This will help agency heads to manage agency regulatory activities more effectively. At the same time, it will enable the President to hold agency heads more closely accountable and facilitate the implementation of Administration policy.

Under the new process, regulatory agencies will submit to the Office of Management and Budget, in January, a statement of the policies, goals, and objectives they intend to pursue during the coming year. They will also provide information about all significant regulatory activities -- pre-rulemaking as well as rulemaking activities -- underway or planned.

These draft policy statements and plans will be reviewed for consistency with Administration policy and the plans of other agencies. This is similar to the annual budget submissions.

Issues not resolved by OMB and the agency will be referred to an appropriate forum and when necessary to the President. Following this review, in April, the agencies' statements of regulatory policies and significant regulatory actions will be compiled and published as the Administration's Regulatory Program for the coming year.

Once the Administration's Regulatory Program for the year has been published, OMB will return for reconsideration any significant rule received under Executive Order 12291, if it was not included in the published program. These rules can be resubmitted for inclusion in the Administration's Regulatory Program for the following year. Exceptions will be made for new statutory or judicial requirements and unanticipated emergency situations.

David Stockman will review this new regulatory planning process at the Council's next meeting.